

PARALLEL PLANNING AND DEVELOPMENT

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At RPS, we work with clients across all phases of the project lifecycle on Australia's largest infrastructure initiatives, from initial planning, to project definition, development, funding, procurement and delivery.

Our experience has shown us that there are real opportunities to speed up the journey of projects to shovel-ready, without forgoing quality, governance or assurance.

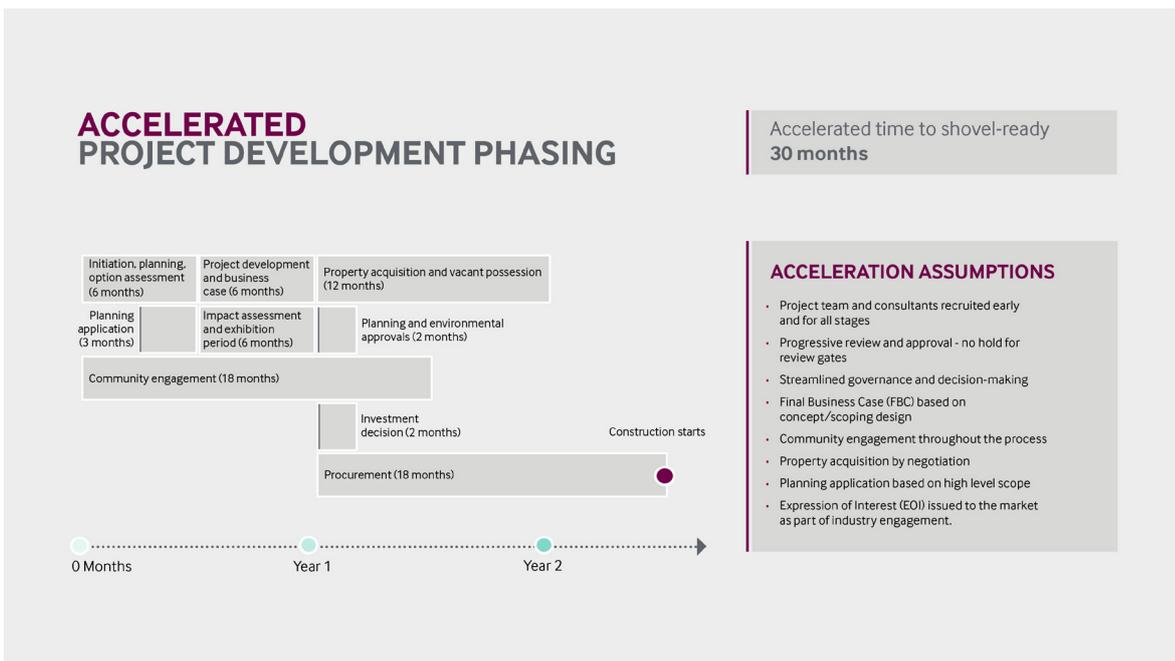
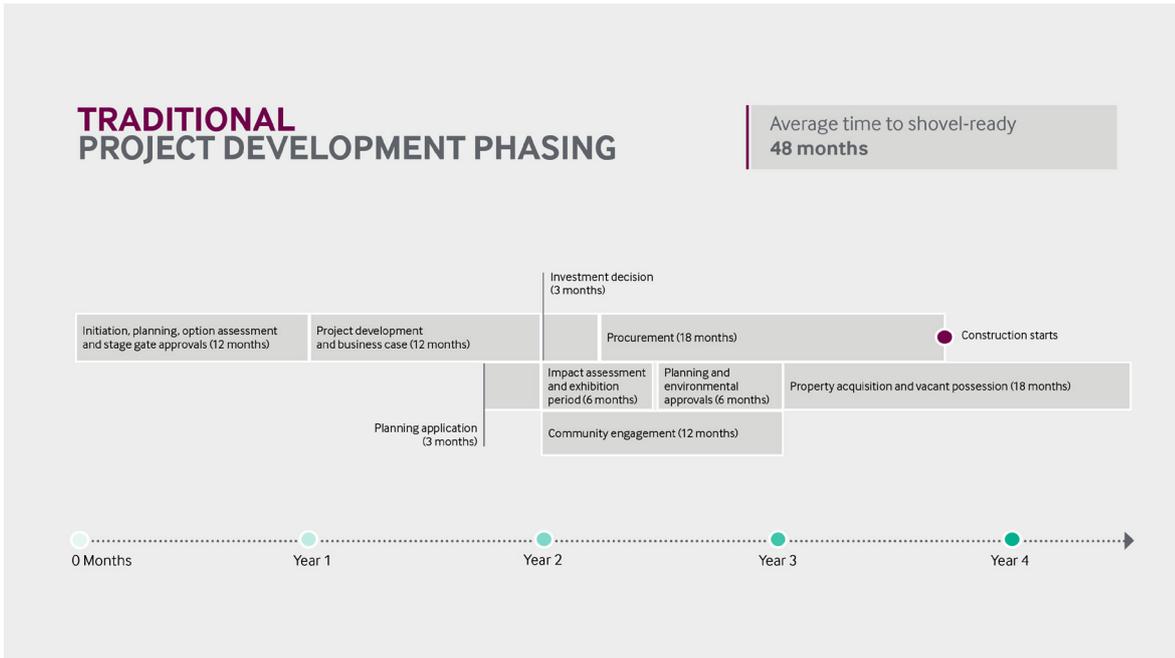
For governments to be confident that an infrastructure project is ready to proceed to construction, there are a number of development processes and phases to work through. Each phase is important, and together they provide assurance that money is being invested in the right areas, that the risks are understood and manageable, and that the project will deliver the benefits that Australian communities want and need.

While there are variations in how infrastructure is investigated, planned and developed across Australia's states and territories, there is a common theme across all jurisdictions – the sequential approach taken to front-end project development.

It's true that some activities overlap, but for the most part each phase begins on the completion of another. This approach can be slower and more costly than it needs to be.

Using Australia’s transport mega projects (\$1 billion+) as an example, this article explores how focusing on the critical activities for assurance, pulling some project development phases forward and approaching others concurrently, could significantly reduce the time it takes to achieve a shovel-ready state.

And by combining these steps with a partnering approach to procurement during the project development phase, the total project timeline could be reduced by around 50% (approximately 12 months for large projects).



Bringing acceleration opportunities to life

Setting projects up for success

In Australia, infrastructure projects generally have very strong governance frameworks in place. For example, assurance reviews (where an independent team of experts assess a project's progress) provide a key mechanism for ensuring initiatives meet their objectives and manage key risks. But while gateway reviews are important for assurance, their formality and the frequency with which they take place – at the end of each stage, every twelve months or so – can slow project development down.

Adopting a more iterative approach where reviews happen regularly would allow the vital feedback generated to be incorporated more readily and reduce delays at the same time. Ensuring that reviewers adhere to the scope of assessment is also critical.

By having more regular reviews, independent assessors could focus on the assessment scope rather than other details outside it (such as design elements that are likely to change in later stages), while giving them assurance that the project won't veer off track in between review gates.

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Another important element of setting projects up for success is stakeholder engagement. Major infrastructure projects interface with many stakeholders, so a clear framework that guides responsibilities and engagement is vital to ensuring projects progress successfully towards investment decision and beyond.

There are many government agencies involved in infrastructure projects in one way or another, but not all stakeholders are equal when it comes to project development. In the same way that a clear scope must be provided and adhered to for assurance reviews, successful projects require clear delineation between the governance forums with decision-making responsibilities and forums for engaging with government stakeholders. Clear terms of reference for stakeholder forums that define the rules of engagement can help keep things moving.

In our considerable experience, another major delay in the development of major projects is the time it takes to recruit a project team and procure the expert planning, technical and commercial advisors. This time is compounded when the team needs to be separately procured at every stage of the project lifecycle.

Focusing efforts from the outset to recruit and procure a high performing project team and retaining them through the various stages of project development, is an effective strategy to reduce the time brought about by government procurement processes (which can be many months). It also ensures project knowledge is retained, and team dynamics and relationships with stakeholders are maintained across the project lifecycle.

Engaging earlier to move faster

Infrastructure is meant to service the needs of the community, so engagement with the community is critical to achieving good outcomes. In its *Australian Infrastructure Audit 2019*, Infrastructure Australia reported that community opposition in the previous decade had led to the 'delay, cancellation or mothballing of more than \$20 billion of infrastructure projects.'

Engaging with the community – the people who will use and live with the infrastructure – can help governments understand what is really needed. This helps to establish a social licence from the outset which can be an insurance policy against downstream delays.

By bringing engagement forward to the start of any initiative and sustaining these conversations throughout the project lifecycle, community members become familiar with the problem to be solved, they can define the things that they value, and importantly, understand the costs and benefits of potential solutions. When a project is announced, it comes as no surprise.

While infrastructure planning will always involve some concessions, engaging earlier means you aren't trying to defend infrastructure projects when decisions are already made, and projects are past the point of no return.

Conceptualising design to avoid delays

Another mechanism to move projects through development faster is a scaling back of the amount of upfront technical investigations and engineering design.

This is not to say that these things aren't important – they are critical. But in an effort to provide assurance in the business case phase, many projects are taken to an almost detailed level of design before they have endorsement or funding approval.

Where projects don't move past business case phase, this is technical work unnecessarily done and money ill-spent. Where projects do proceed, this work merely provides a reference to industry that is bidding to deliver the project and gets revisited. This is especially the case with public-private partnership (PPP) and design and construct (D&C) delivery models, where the responsibility for detailed design lies with the contractor and they are incentivised for their design innovation.

The purpose of design in the project development phase is to help government make informed decisions about infrastructure's viability, understand and manage risks and potential impacts, and inform the development of objectives, requirements and specifications for the procurement phase to come.

In order to streamline the project development phase, investment over and above a scoping design should only be undertaken where it is necessary to reduce key risk items during the project development phase, like reducing the project's footprint to minimise the property acquisition requirement. The level of design detail in the government's reference project should reflect the delivery strategy and the approach to packaging of works, ensuring clear interfaces between separable works packages.



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Accelerate planning and environmental approvals

Planning and environmental approvals are another item that can be brought forward to help projects progress more quickly towards procurement and delivery. By no means is this a recommendation that such processes are foregone or scaled back, merely that the timing of them is adjusted for greater efficiency.

Take environmental investigations and approvals for example. This has a number of elements – commencing with a planning application that identifies the scope of the project in relation to the study environment, and key risks to be considered within the detailed assessment of impacts, which follows.

For large projects, this usually takes the form of an environmental impact assessment document (like an environmental impact statement or environment effects statement) and may require a referral for assessment under the Environmental and Biodiversity Protection (EPBC) Act.

Rather than waiting until the end of the project development phase to submit planning applications and start the environmental impact assessment process, this could be undertaken during the business case phase. Not only does this position projects to move into impact assessment faster, it also helps to de-risk the project through more rapid identification of potential planning and environmental risk categories to be focused on and addressed through engineering, design, procurement and engagement with the community.

It could also avoid duplicating the justification for the project in the environmental assessment, and the resulting potential for inconsistencies, with the strategic justification completed in the business case phase.

Protecting corridors and negotiating to acquire

An issue that we consistently see on large projects is protracted property acquisition phases and delays in securing vacant possession.

For large transport initiatives, property acquisition doesn't usually begin until the completion of environmental and planning approval phases. Acquisition and vacant possession of properties will often continue for months after early construction work has begun.

While there will always be those who are impacted by the need for their property to be acquired, approaching landowners early and treating these sensitive conversations as a commercial negotiation can avoid the delay risks and community sentiment issues that come along with late stage compulsory acquisitions.

Protecting corridors in advance of project development also reduces the cost and delays significantly. For example, identifying infrastructure corridors via urban planning schemes is a way that land can be devoted to infrastructure endeavours ahead of time.

Much consultation is undertaken by government agencies to shape how suburbs and activity centres evolve and grow. Structured planning conversations with the community and the investigations that accompany them, should inform transport, energy, water and other infrastructure development.

If services are routed in ways that communities want and anticipate, there is likely to be far less resistance. Indeed, savvy landowners will embrace the transition, which opens up potential opportunities to share in the value created by the infrastructure investment.



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Asking industry earlier

Engaging with the industry supply chain early represents another acceleration opportunity. Integrating industry expertise into the team that shapes a project's scope can yield better overall outcomes, de-risk delivery and drive value for money.

Allowing industry to understand project requirements and work with government to shape the project definition, can help make infrastructure more attractive and viable. Adopting Delivery Partner arrangements or Early Contractor Involvement (ECI) models can also help to streamline the process, save time and de-risk later project phases.



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Adapting our approach for the pipeline ahead

Looking to the future, there's a lot of work to do to ensure communities have the infrastructure they need to live and work well. In addition to fulfilling this primary need, infrastructure will undoubtedly be one of the most effective mechanisms to get our economic wheels moving again.

By adapting our approach to key phases of project development and undertaking processes in parallel where it makes sense, we'll be well on our way to achieving both goals.

To explore how this approach could be applied to your next project, contact us.

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